

Message

From: Hall, Kristen [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=62DC51D079824B3FBD90A9B708749FC5-KHALL]
Sent: 3/14/2022 2:52:23 PM
To: Henry, JeannaR [Henry.Jeannar@epa.gov]
Subject: FW: WV DEP approves AIR permit - data processing

See below for discussion

From: Talley, David <Talley.David@epa.gov>
Sent: Monday, March 14, 2022 9:52 AM
To: Hall, Kristen <hall.kristen@epa.gov>
Cc: Opila, MaryCate <Opila.MaryCate@epa.gov>
Subject: RE: WV DEP approves AIR permit - data processing

I got that it's the crypto place. I guess my point was the that permitting process may not cover what the computers are doing, just that there are engines burning fuel and emitting a certain amount of pollutants for the purpose of running computers.

David Talley
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From: Hall, Kristen <hall.kristen@epa.gov>
Sent: Monday, March 14, 2022 9:34 AM
To: Talley, David <Talley.David@epa.gov>
Subject: RE: WV DEP approves AIR permit - data processing

It's a crypto place, not a data center, they had called us about it. That's what's troubling.

From: Talley, David <Talley.David@epa.gov>
Sent: Monday, March 14, 2022 9:31 AM
To: Hall, Kristen <hall.kristen@epa.gov>
Cc: Opila, MaryCate <Opila.MaryCate@epa.gov>
Subject: RE: WV DEP approves AIR permit - data processing

I think it probably is a little nuanced, but without seeing the application or the permit, I can't say for sure whether DEP asked for enough info. I think it's potentially correct to the extent that I don't think DEP would likely get into exactly what type of data is being processed. They're burning fuel to generate electricity to run computers. I think what they're doing with the electricity is germane to the permitting process, but what they're doing with the data may not be?

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From: Hall, Kristen <hall.kristen@epa.gov>
Sent: Monday, March 14, 2022 9:16 AM
To: Talley, David <Talley.David@epa.gov>
Cc: Opila, MaryCate <Opila.MaryCate@epa.gov>
Subject: FW: WV DEP approves AIR permit - data processing

Hi,

See below the highlighted section – is this true? It seems like it would be difficult to grant a permit if not knowing what the site would be doing? If the application includes the sources and emissions but does not say sector?

Is there a nuance here?

Thanks
Kris

From: Henry, JeannaR <Henry.Jeannar@epa.gov>
Sent: Monday, March 14, 2022 8:51 AM
To: Hall, Kristen <hall.kristen@epa.gov>
Subject: RE: WV DEP approves AIR permit - data processing

Good morning, Kris!

Hope you had a great weekend.

Reading through the article, the highlighted section caught my eye. Is it true that companies do not have to disclose the type of operations they conduct?

DEP spokesman Terry Fletcher said in January that the state has permitted what he called similar sources in West Virginia: a computing center for the U.S. Department of the Treasury in Berkeley County, the Federal Bureau of Investigation's Clarksburg site, and a military training facility for the West Virginia National Guard in Preston County.

"The WVDEP cannot speculate as to the nature of operations at these facilities, nor are the permittees required to disclose that information," Fletcher said in an email. "DAQ's jurisdiction over these sites begins and ends with the emission sources."



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From: Hall, Kristen <hall.kristen@epa.gov>
Sent: Thursday, March 10, 2022 12:53 PM
To: Willard, Erin <Willard.ErinM@epa.gov>; Augustine, Bruce <augustine.bruce@epa.gov>; Henry, JeannaR <Henry.Jeannar@epa.gov>
Subject: FW: WV DEP approves AIR permit - data processing

FYI

From: Fernandez, Cristina <Fernandez.Cristina@epa.gov>
Sent: Thursday, March 10, 2022 12:50 PM
To: Talley, David <Talley.David@epa.gov>; Entwistle, Paul <Entwistle.Paul@epa.gov>; Wejrowski, Mark <Wejrowski.Mark@epa.gov>
Cc: Hall, Kristen <hall.kristen@epa.gov>
Subject: FW: WV DEP approves AIR permit - data processing

And more...



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From: Ferrell, Mark <Ferrell.Mark@epa.gov>
Sent: Thursday, March 10, 2022 9:25 AM
To: Fernandez, Cristina <Fernandez.Cristina@epa.gov>; Gillespie-Marthaler, Leslie <GillespieMarthaler.Leslie@epa.gov>; Delgrosso, Karen <Delgrosso.Karen@epa.gov>; Nitsch, Chad <Nitsch.Chad@epa.gov>; Thundiyil, Karen <Thundiyil.Karen@epa.gov>; harmon.pam@epa.gov; Lieberman, Paige <Lieberman.Paige@epa.gov>; Bowles, Jack <Bowles.Jack@epa.gov>; Seneca, Roy <Seneca.Roy@epa.gov>; Sternberg, David <Sternberg.David@epa.gov>; Finn, Cara <Finn.Cara@epa.gov>
Subject: WV DEP approves AIR permit - data processing

[DEP approves air quality permit for proposed data processing facility in Morgantown despite limited information on facility plans | Energy and Environment | wvgazettemail.com](#)

West Virginia environmental regulators have approved a key permit for a data processing facility in Morgantown despite having admitted they know little about what the applicant's plans are for the facility.

The state Department of Environmental Protection approved an air quality permit for a data processing facility proposed by Morgantown-based Marion Energy Partners LLC.

Marion Energy Partners applied in August for an air quality permit to construct and operate a 10,000-square-foot data processing facility at 5900 Morgantown Industrial Park. The facility would include four natural gas-fired engines to generate its own electricity around the clock.

n its final determination issued Monday, the DEP's Division of Air Quality said it has "no explicit authority" to disclose the function of the proposed data center.

The facility's name is listed as "Science Facility" in a filing with the DEP.

But when Morgantown residents and elected officials asked Division of Air Quality engineer Edward Andrews for more information about the nature of planned operations at the facility during a January public hearing on the permit application, Andrews had little to offer.

"The best we know from the application is that it's going to be a data center," Andrews said.

Marion Energy Partners could not be reached for comment.

The permit application was submitted on Marion Energy Partners' behalf by Charleston-based SLR Consulting. Representatives of Northeast Natural Energy, a Charleston-headquartered oil and gas exploration company, were copied on email correspondence with environmental regulators.

A July notice of Marion Energy Partners' air quality permit application lists the same address for the company as that of Northeast Natural Energy's Morgantown office — 48 Donley St., Suite 601, Morgantown, WV 26501.

Brett Loflin, who joined Northeast Natural Energy as vice president of regulatory affairs in 2010, declined to comment on plans for the facility in January and did not respond to a request for comment this week.

The permit application also lists Loflin as vice president of regulatory affairs at Marion Energy Partners.

The Division of Air Quality acknowledged in its final determination that the majority of comments it received about the permit application opposed it. But the division said a state legislative rule limited regulators' scope of review to whether the proposed engines would violate emission standards.

"The DAQ has no explicit authority to request the applicant to disclose the function of the 'data center,'" the division said in its final determination.

In response to comments it received opposing the application, the Division of Air Quality said it had no authority to require Marion Energy Partners to analyze the "best available control technology" to control air pollution or reevaluate its process to reduce facility emissions because the facility is not a "major source."

The federal Clean Air Act requires best available control technology for major sources, which have actual or potential emissions above thresholds of 100 tons per year for any air pollutant.

The permit application says the facility will share its location with a natural gas production pad that will supply gas to the generator engines to help power the facility. The fuel gas would be supplied by area wells equivalent to pipeline-quality gas at a volume of 97% methane, according to the permit application.

SLR Consulting principal engineer Jesse Hanshaw told Andrews in an August email that gas from a local gathering pipeline would provide an uninterrupted supply of fuel to the data center, according to DEP documents.

Representatives of SLR Consulting did not respond to a request for comment.

The site is believed to be designed to provide electricity for cryptocurrency mining, a process of creating new units of digital currency that requires large amounts of energy for computing.

Opponents of the permit application have feared the facility could contribute significant noise pollution, as bitcoin mining facilities have prompted complaints about fan noise from power generated for facility computers.

Bitcoin is a digital currency that users can buy, sell or exchange directly without government or bank oversight.

The Division of Air Quality noted in its response to comments on the application that excessive noise is not an issue under its jurisdiction.

DEP spokesman Terry Fletcher said in January that the state has permitted what he called similar sources in West Virginia: a computing center for the U.S. Department of the Treasury in Berkeley County, the Federal Bureau of Investigation's Clarksburg site, and a military training facility for the West Virginia National Guard in Preston County.

"The WVDEP cannot speculate as to the nature of operations at these facilities, nor are the permittees required to disclose that information," Fletcher said in an email. "DAQ's jurisdiction over these sites begins and ends with the emission sources."

Monongalia County Democratic delegates Evan Hansen, Barbara Fleischauer, Danielle Walker and John Williams were joined by John Doyle, D-Jefferson, in sponsoring a bill during this legislative session that would have required DEP permit applicants to disclose the purpose of their planned activity "with sufficient specificity" at the permit location

But the House Energy and Manufacturing Committee never took up the bill, House Bill 4640.

Morgantown residents and city officials expressed concern over potential greenhouse gas and noise emissions from the facility during the January public hearing, also doubting the facility would result in any economic benefit to the community.

Mon Valley Clean Air Coalition coordinator and Morgantown resident Duane Nichols said the Division of Air Quality should not have granted the permit and expressed frustration at the DEP's strict interpretation of the regulations involved.

"[O]ur state government should not approve pollution permits for facilities that only insult the public interest," Nichols said in an email.

Nichols said the proposed site's close proximity to schools and residential areas would have justified withholding the permit from Marion Energy Partners

"[The DEP] has failed to fully account for the greenhouse gas emissions and associated facilities at this site," Jim Kotcon, conservation committee chairman of the Sierra Club's West Virginia chapter, said in an email.

The nearest residential dwelling is about 1,128 feet away from the center of the site, with some businesses roughly half that amount away, according to state environmental regulators, who found the site is appropriate for the proposed emission units.

The permit sets emissions limits of 16.69 tons per year of nitrogen oxides and 8.42 tons per year of carbon monoxide for each engine. The engines are to be equipped with an oxidation catalyst air pollution control device, according to the permit.

Marion Energy Partners was required to obtain a permit in part because the four proposed engines' potential emissions exceed 6 pounds per hour and 10 tons per year for nitrogen oxides, carbon monoxide and volatile organic compounds.